



International Journal of Management and Commerce

www.managementjournal.in

Online ISSN: 2664-6854; Print ISSN: 2664-6846

Received: 04-02-2019; Accepted: 06-03-2019; Published: 13-03-2019

Volume 1; Issue 2; 2019; Page No. 21-28

Internal control and the effectiveness of SMEs: A study in Cameroon context

Samuel Roland Makani¹, Ntoh Ntiege Raïssa², Alain Fridolin Tonye³

¹⁻³ PhD student in Management Sciences, Department of Accounting-Finance, Faculty of Economics and Management, Laboratory of Research in Management (LAREMA), University of Dschang-Cameroon

Abstract

As Cameroon is a country considered as emerging, it is characterized by an unfavorable business environment according to the General Census of Enterprises (RGE) carried out by the National Institute of Statistics (INS) in 2018 due to mismanagement. It is with the aim of improving the business environment that this article aims to analyze and highlight the effect of internal control on the effectiveness of SMEs in Cameroon context. To achieve this, we have opted for a hypothetic-seductive approach from which three hypotheses are formulated. An analysis of data collected from a questionnaire administered to 50 Cameroonian SMEs was made through descriptive analysis and explanatory analysis. Our results, after the explanatory analysis using the SPSS 20 software, show that compliance with the procedural guide and the internal regulation of SMEs significantly and positively influence the effectiveness of SMEs in Cameroon context. On the other hand, the System of Accounting Data, for its part, significantly and negatively influences the efficiency of SMEs in Cameroon context. These results allow us to support our hypotheses.

Keywords: Internal control, effiveness, Procedural guide, Internal regulations, Data accounting system

Introduction

Current economic conjunctures are characterized by crises of various dimensions that affect both states and businesses. They result in the latter by the bad performance of companies and worsen, by the closure of some ^[1]. Indeed, in a continual fluctuating environment, uncertainties and management inefficiencies are increasing and require from managers a great mastery of management Tools. Today, the internal control system occupies a significant place within the company, it is a collective action as it combines the action of a large number of actors ^[2].

The failure of companies in the last twenty years has increased the importance of management based on internal control in the world in general and Cameroon in particular. Large companies as well as small businesses have been victims of fraud. Internationally, we can see the (Jerome KERVIEL case), a company in France that has experienced a loss of about 4.9 billion euros in fraud in 2008; The ENRON (Passet and Libermann 2002) ^[20]. This company artificially inflated its profits while masking its deficits by using a variety of front companies and falsifying its accounts.

The last decade was marked among other things, by a renewed interest in small and medium size enterprises (SMEs) in the field of business and economy of developed countries. We had confidence in their potential, aware of their importance in the economic and social life. In a word, SME has become fashionable (and Julien Morel, 1986; D'Amboise, 1989) ^[13, 11]. But this revival of SMEs has not been without problems. SME has particular

characteristics that explain its strength but also its weakness : Especially its flexibility, adaptability, vis-a-vis its environment. This explains the high rate of creation of small and medium enterprises but also large bankruptcy (and Julien Morel, 1986; Julien and Marchesnay 1988) ^[13, 14]. But what are the causes of these failures ?

Several factors may be behind them, but it is recognized that it is mainly the problems in management, managerial competence and internal control (Hodgets, 1982; Williams 1985. Olson, 1987). According to D'Amboise (1989) ^[11], their vulnerability is sometimes more due to a deficiency in these areas. This leads primarily to interest us in this research to internal control problems relating to the management of SMEs and their effectiveness.

Cameroonian SMEs is at the heart of many debates. This type of business, considered by the government as the instrument of reviving the national economy is about mismanagement.

Like other countries, Cameroon has experienced in recent years a wide spread of the phenomenon of corruption and fraud. Statistics from the General Census of Enterprises (EGR) for 2010 indicate that in Cameroon, 45% of companies in 2009 were declared bankrupt. A report by the International Labor Organization (1992), indicates that 35% of businesses that are created succumb three years after their creation. In this massacre, Small and Medium Enterprises (SMEs) appear to be most affected. These situations have placed on the center stage the need

¹ companies created ten disappear two years later after their creation: Finding made November 17, 2015 by Lucien Ntamag Mahop, the General Director (GD) of Companies of Cameroon (ECAM), a Cameroonian employers' grouping mainly oriented development SMEs.

² Internally site, <http://WWW.ifaci.com/ifaci/connaitre-l-audit-et-le-controle-interne/les-metiers-du-controle-interne-306.html>, date consultation, 11/10/2019 11: 30.

to strengthen internal controls, prompting lawmakers legislated new laws, directives and regulations relating to internal audit, in order to lead companies to more transparency, think Littunen, Storhammer and Nenonen (1998) ^[16] Moreau (2007) ^[18], Capiez and Hernandez (1998) ^[6].

Improved management can be addressed by considering the company's various component systems: production or operations, finance, marketing, human resources, technology (research and development), and information system. We will focus on determining the relationship between the concept of effectiveness and internal control, to incorporate the element of response to the research question is to know what is the influence of the internal control on organizational effectiveness SMEs ? The objective of this paper is to determine the role of internal control over the effectiveness of SMEs. It is structured: first a literature review, second, a methodological approach and finally the presentation of results.

Literature review: Internal control

The concept of internal control led to multiple definitions, we cite to highlight the evolution of the design of internal control over time.

Definitions

According to the National Society of Auditors (CNCC) in France, internal control is a set of policies and procedures implemented by the management of an entity in order to ensure, to the extent possible, management rigorous and effective activities. These procedures involve :

- Compliance with management policies,
- The safeguarding of assets,
- Prevention and detection of fraud, errors, completeness and accuracy of accounting records,
- The timely preparation of reliable accounting and financial information " ^[3].

The Council of the Institute of Chartered Accountants in 1977 (US organization) think that internal control is the set of safety contributing to the management of the company. It aims to ensure the protection, heritage preservation and quality of informations, the other application instructions of management and promote performance improvement. It is manifested by the organization, methods and procedures of each of the company's operations, to maintain the it continuity ^[4].

-The American Institute of Certified Public Accountants (AICPA) in an audit guide in 1990 proposed the following definition: Internal control includes the organization plan and all the methods and procedures adopted within a business to safeguard its assets, control accuracy and reliability of accounting data, promote operational efficiency and compliance with the policies defined by management ^[5].

-The COSO (the Comet of Sponsoring Organizations of the Treadway Commission) in turn thinks that internal control is a

process implemented by the Board of Directors, officers and staff of an organization designed to provide reasonable assurance regarding the achievement of objectives for one or more categories » ^[6]:

- Effectiveness and efficiency of operations;
- The reliability of financial information;
- Compliance with laws and regulations.

The main objectives of the internal control

The definitions of internal control serve to highlight the main objectives of the internal control ⁷ next:

-Ensure the protection of company assets: According to the CNCC, the term

"Asset Protection" is thus in the broad sense and not only is the physical preservation of the property (security, physical protection, monitoring and control of assets but also for risks from the natural (earthquake, flood) and risks from human environment (third parties, employees, managers) such as error, negligence or fraud.

-Ensure the quality of informations, especially financial informations : According to the CNCC, a good accounting information system should help ensure that the necessary documents and information that contribute to management are produced on time and with the essential quality. This amounts to considering that informations provided is objective (it actually reflects the real state of the company in its environment) and available (eg in the required format and within the appropriate time to those who have to interpret).

-Improved performance : Analysis of activities is central to an organization and management costs. But the cost of products depends on that of the activity. The cost analysis is a support to internal control. Ignore the cost of management and its role in the internal procedures would lead to the refusal of performance improvement.

-Application of management instructions: Diligence to operations ensures that the objectives of the instruction are well defined, the same instructions are clear and addressed specifically to persons authorized and trained to interpret them correctly. Just after the workflow. Thus, we can consider it as the ultimate leader and solely responsible for the final performance of the company.

The components of internal control

The repository Committee of Sponsoring Organizations of the Treadway Commission (COSO, 1992) ^[10] Symbolically represents internal control by a pyramid composed of five interdependent elements, in philosophical sense ^[8]:

The control environment

The control environment is depicted at the base of the pyramid. The establishment of a control environment is the first step in establishing a system of internal control, it is a basic element essential to the creation and maintenance of an effective ICS. Pragmatically speaking, during the 1970s and 1980s The

³Peltier. F, "The Corporate Governance the rescue boards" Edition Dunod, Paris, 2004, p 89.

⁴Gumb. B, Christmas, C., "The report of the leaders on the internal control test analysis" The French Association of Accounting, Paris, 2007, p 97.

⁵Becour. B "operational audit" Economica Edition, 2000, p 02

⁶Richetts, Jeri B, "New internal control framework and evaluation Proposed by COSO" Echio CPA Journal, Jun 1992, p 35

⁷Ibid. P45-48.

⁸Kevin. G, "Self-assessment of internal control", Vermont, department of finance and management, April 2011, p 06.

Treadway Commission found that failures of US companies are mainly due to the ineffectiveness of control environment.

Risk assessment

Risk is the second component of the pyramid which presents the elements of internal control. All enterprises are faced by risks. These risks can come from within the enterprise (internal risks) or from outside (external risks). It is important to define risk before talking about it. Risk can be define as anything that can prevent the company from achieving its objectives. However, the assesment of risks is aimed at analyzing and identifying differents types of risks faced by enterprises so as to bring answers on how it can be reduced while taking into consideration cost/benefit relationship.

The Control activities

The control activities are represented by the third element of the pyramid which has the internal control elements. Control activities are specific devices carried all as hierarchical and functional levels. They play a crucial role both in the control of risks and in achieving objectives. Control activities should be an integral part of the daily activities of a company ^[9], Which revolve around six headings : objectives, means ; the information system, organization, procedures, supervision.

Information and communication

Information and communication are represented by the fourth element of the pyramid which has the internal control elements. We see that the information and communication irrigate all other elements of the ICS. A company that sets up a more efficient control system without communication and information, is doomed to failure because all those responsible for its implementation will not be informed. Moreover, a decision can only be taken on the basis of relevant, adequate, updated and communicated. This is why information and communication are paramount especially in the realization of all the internal control objectives and general objectives of the company. According to Stephen Barber (1999) Information and communication are somehow the nervous system of the rocket, allowing everyone to manage and control the activity entrusted to it.

Piloting

The steering is the top of the pyramid which has the internal control elements. The control of the internal control system is one of the overall system of internal control elements. It represents the apex of the pyramid of the internal control system. Assuming that "everything that evaluates improves"¹⁰ Pilotage is a tool to improve the effectiveness and efficiency of the internal control system since it allows to evaluate and identify both positive and negative factors, and propose later recommendations that contribute to its improvement. The steering is, in effect, guarantees the performance of the internal control system.

The internal control system should be in perpetuity across all the components of internal control namely the control environment, risk assessment, control activities, information and

communication, and pilotage which thus ensures that the pillars of the internal control system operating as intended and that they are updated according to the changing environment in which the company operates. The steering also helps to check whether the information provided is a correct reflection of the situation on ground or business.

The perception of organizational effectiveness

The perception of researchers differ in determining the precise notion of organizational effectiveness. In that sense, There are a set of definitions to describe this concept. It is perceived as the achievement of company objectives (Eleni Costa, 2005) ^[21]. Etzioni (1960), defined it as the success in achieving the goals of resource optimization and balances available in the external environment.

All these perceptions highlight the objectives as a measure of organizational effectiveness based on the external environment and the resources available within the company. Thus, Steers and Mahoney (1975) defines it as hypertension productivity, flexibility and ability to adapt to the environment and the ability of stability and creativity.

Thus, the concept of efficiency is surrounded by a set of other concepts on which the distinction can be made between organizational effectiveness, performance and efficiency, all of which can be affected by several factors such as internal control, company size the industry, among others. Efficiency is the will and energy business in the optimal use of available resources and can be expressed in productivity (Cohen, 2000). Through analysis of the relationship between organizational effectiveness and efficiency can be said that efficiency is a fuller and broader concept than the concept of efficiency. Often, efficiency expresses a dependent variable of the function of effiveness and, we found effiveness to the detriment of the search of efficiency and vice versa (Savall, 1989) ^[23]. But as to performance is the search for efficiency through best practice processes towards the achievement of sustainable growth and efficiency through the production of the greatest possible growth (Kaplan, 1992) ^[22].

The agency theory

The information asymmetry led the officer hold information which the principal can not directly access. It is therefore very important for the latter to encourage the officer to avoid the use of such information. The point of dissatisfaction, which can be addressed in this performance incentive, is partly due to the dual role assigned to the employer (authority and control) and also the probability of risk of punishment. In the authority relationship which unites the principal to the agent, poses problems in detecting the ineffectiveness and the implementation of sanctions. The relationship of authority prevailing in the traditional model needs to be complemented by a hierarchical relationship.

Thus, the use of an organizational structure may be a stress control source where by the principal will higher a supervisor to ensure the task of monitoring or controller and the latter urges the agent to provide production effort (Mirrles, (1976). Yang (1996), shows that, in the context of an agency relationship, the

⁹Roger. C. Christine. C, "Framework for internal control systems in banking organization", Federal Reserve Board, Washington; Federal Reserve Bank of New York, 1998, p 03.

¹⁰Yaich. M, "The control of the internal control system approaches, tools and role of the accountant", University of Sfax, Tunisia, September 2010, p 29.170

supervisor of recruitment always improves the position of the main and the effectiveness of the firm.

Hypotheses

Financial scandals experienced in recent years in the world and particularly in Cameroon are justified by the weak internal controls to detect fraudulent acts, its dependence on the general direction and the complicity of professionals who have worked hard to develop effective internal control procedures (Sangué Fotso, 2011).

Operational threats are causing heavy losses and a need to manage, evaluate and to better control these threats. So to ensure the denotation of the financial system it is important to establish an internal control service (Cartapanis & Gilles, 2003) [27]. We also recognizes the existence of a link between methods of internal control and good management (Mautz· *et al.* 1980) [26]. Becour and Touchstone (1996) point out that ambiguities can be resolved by noting that internal control is the result of the existence of safety or controls (application of procedural guide, compliance with domestic regulations and the Data Accounting System), which organize, guarantee operations and allow management to have monitoring systems and support for appropriate decisions, reliable, effective and efficient, allowing him to master the business and make it effective. At the basis of the above, we make the following assumptions

H1: The proper application of the procedural guide significantly affect the effectiveness of SMEs.

H2 : Compliance with internal regulations significantly affect the effectiveness of SMEs.

H3: The data accounting System has a significant impact on the effectiveness of SMEs.

Methodology

Quantitative techniques are too often associated with the positivist epistemological paradigm, are adopted in our work, because they allow the collection of a large amount of quantifiable data from a large number of companies to achieve the predefined objectives research and confirm the proposals or assumptions. The selected quantitative method leads us to adopt a deductive position is recommended when attempting to describe and explain the causes of a phenomenon, to predict the results and consequences of the same phenomenon (Evrard *et al.* 2009).

Datas analysis

We will work with primary data. Primary data collection tool developed in most quantitative research is the questionnaire. This has the advantage for the researcher to confront directly the persons holding the information. Our questionnaire was administered to 50 SME in three sectors (primary, secondary, and tertiary) in Cameroon.

Research Variables

Our study brings up two types of variables (dependent and independent).

The dependent variable

The dependent variable in this research is organizational Effectiveness whose measure is presented in Table 1 above.

Table 1: Measurement of the dependent variable

Variable	Measures	Authors
Organizational effectiveness	Productivity Success Satisfaction Revenu	Chrisman <i>et al.</i> (1999) [9] Abdessalam <i>et al.</i> (2004) [11], Aspelund <i>et al.</i> (2005) [3]

Source: Authors

The independent variables

They come from all the constituent elements of internal control of SMEs and are three in number (compliance manual procedures, internal regulations and information accounting system) the measurement of these variables is presented in Table 2 above.

Table 2: Measurement of independent variables

Variables	Measures	Authors
Compliance Procedure Guide	Measured dichotomously (1 respect and 0 otherwise)	Book (1997) [5] Barnia Mohamed (2015)
Internal rules	Measured dichotomously (1 respect and 0 otherwise)	Duhan <i>et al.</i> (1995) [25] Anthony (1965)
Data accounting system	- Computerization of the accounting function - Production of interim financial statements - Production of useful data for investment decisions	Chapellier (1994) [8] Bergeron (1996) [4] Lavigne (1999) [15] Germain (2000) [12] Nyengue Edimo, (2006)

Source: Authors

The econometric model

Assuming that compliance manual procedures, internal regulations and information accounting system can affect effectiveness, the econometric model was constructed below drawing on the work of Chapellier (1994) [8] and Germain (2000) [12]. For this purpose, we used as the dependent variable effectiveness. This model presents itself as follows:

$$EFFICACITE_i = B_0 + \sum_{i=1}^n B_i X_i + \epsilon \tag{1}$$

With Xi, the explanatory variables;

B0The constant term;

Bi The regression coefficients and ε the error term.

The complete empirical form of the model is:

$$EFFICACITE_i = B_0 + B_1 GP + B_2 RI_i + B_3 SDC_i + \epsilon \tag{2}$$

PG: Procedures Guide ; **IR :** Internal Rules, **DAS:** Data Accounting System

It is with this empirical model that was estimated parameters and variables for the logistic regression.

Results

Internal control Perception

The expected objectives:

The objectives are one of the internal control devices that can control risks and returns the effective enterprise. Operational objectives from the objectives defined at strategic level. The prerequisite to identify opportunities and threats, assess and

respond effectively is setting goals. In our context, our survey allowed us to ask our respondents to indicate the expected objectives they pursue for their internal control systems. SME managers in our sample indicated several goals grouped into 6 categories (see Table 3).

Table 3: objectives pursued by SMEs

	Description of objectives	Number	Percentage
1	Ensure the proper functioning of the enterprise	20	40%
2	Control risks	13	26%
3	Ensuring employee effectiveness	3	6%
4	Controlling costs	7	14%
5	Objectives for sales	5	10%
6	Objective of the staff	2	4%
	Total	50	100%

These objectives are the following points. First, it should be noted that only the first four goals of the 6 are connected to internal control. The first objective is rather a management goal of internal control. But we can accept it as internal control contribution to the functioning of the enterprise. The last 2 are not at all but rather the internal control objectives or company policies. Or personal goals. 20 leaders (40%) were among other reasons of operating their businesses. 13 leaders (26%) Statement of internal control objectives relating to the control of risks to make effective business.

7 leaders either (14%) stated internal control objectives relating to cost control, or 3 leaders (6%) is to ensure the effectiveness of employees, executives or 5 (10%) have the objectives concern sales and 2 leaders either (4%) targets for staff.

We went further by asking our leaders if the resources they devote to achieve these aims were sufficient and we have obtained the following responses : 16 of 47 leaders agreed that they had enough resources to achieve these objectives is a percentage of 32%. The remaining 31 directors (62%) reported not having enough resources to achieve these objectives. We could not get answers from leaders 3 (6%). We also found that leaders who are between 5 and 10 years of experience that is to say 25 leaders (50%) have more than met the objectives compared to 12 leaders who have less experience or 5 years (24%).

We therefore performed a chi-test to determine the relationship between the resources devoted to achieving the goals and see if the goals are actually achieved from a pivot table and we found that this relationship is not significant because at the 5% significance level, the chi-squared Pearson (0717) is greater than 0.05. We can therefore conclude that the Cameroonian SMEs have set goals and most of them spend enough resources to achieve these goals but achieving these objectives is not significant.

Data Accounting System.

In our questionnaire was whether Cameroonian SMEs have an accounting system ? And if accounts are held regularly and by whom ? We also wanted to know if they were satisfied with their accounts ?

After our investigation we found that almost all the enterprises keep their accounting themselves, but one that uses a Chartered Accountant (CA), and another that is connected to the parent, but nevertheless keeps its records. We also note that the accounting

system of Cameroonian SMEs we visited is simple, even very simple in some cases (Judgment is our personal perception from the characteristics

Accounting system

It is not all enterprises that has a person assigned to accounting. In our sample, 20 companies (40%) say they have an accounting. In other 17 (34%), it is the controller who does accounting. In any case, accountant and controllers are combined in enterprises reporting a controller instead of an accountant. for the other remaining 13 enterprises, accounting is provided mainly by the secretary in 8 cases, 16% and in 5 other cases it is the director him self (10%).

Regarding the satisfaction of leaders for their accounting system, only 23 (46%) reported being completely satisfied while 8 leaders (16%) said they were fairly satisfied and 17 (34 %) claim not to be satisfied. We could not get answers from two leaders (4%). This conclusion is understandable since these enterprises have invested very little for an information accounting system. Their expectations are probably not high. For people who are not totally satisfied with their accounting system (17 of 50, 34%). The reasons can often be the book itself or the accounting system that lacks competence or experience, not exploited enough.

Most enterprises do not have a reliable accounting system that is to say 33 of them have no reliable accounting system that is, 66%. This was confirmed by the Chi-Square test we performed. At 5% significance level, we found out that there is a significant relationship between internal control and the reliability of the accounting system. Because the Pearson Chi-Square (0.001) is below the significance threshold (5%).

The company documentation

This is the set of company documents ie historicity, different procedures and different conventions. We limited this research to written procedures manuals and internal regulations, because these are the two types of documents that seems most relevant with respect to internal control. Only 8 enterprises (16%) have written procedures. The rules of procedure are not usually written. These findings clearly show that SMEs do not expect to have written procedures to perform operations or impose disciplinary measures. Disciplinary measures are often not implemented because the opportunity has not yet been presented, and it does not depend on whether the regulations are written or not. 11 enterprises (22%) responded that they have not provided such measures because it is not necessary. This can be explained by the fact that some of these SMEs are family businesses and it becomes difficult to sanction a family member. (This has been confirmed with the chi-square test (0.027) we have done from a cross table between family businesses and the existence of a procedural guide and rules).

Presentation of results: Pearson chi-square test.

From the chi-square test, with regard to internal control variables we chose to study to determine the impact of internal control over effectiveness in Cameroonian SMEs. We can see from Table 4 Summary of chi-square following all the answers we got were significant.

Table 4: chi-square test Synthesis relative to the internal control variables

IC Measurement	Yes	no	Chi-Square test			
			Value	dOF	asymptotic meaning	Probability
Objective expected	16	34	9.260	3	0.026 **	0.0333
Data accounting system	30 31	20 19	18.800	1	0.001 ***	0.001
Procedures Guide and internal regulations	17 8	33 42	17.264	1	0.027 **	0.049
Separations spots	19	31	13.936	2	0.001 ***	0.000

Source: Authors

***: Significant at the 1% level ** Significant at 5% *: Significant at 10%

From the results of the chi-square table above, we can see that :
 -Internal control variables (expected objective, procedure Guide and data accounting system) in the context of Cameroonian SMEs have a significant influence at the 5% threshold on their effectiveness with the respective degrees of freedoms 3, 1 and 2.
 -Internal control variable (data accounting system) have a significant influence on the threshold of 1% of their effectiveness with the respective degrees of freedom of 1 and 2.
 For all chi-square values of our variables of internal control are less than the significance level of 5%.

Results of factor analysis of the reliability of items

The reliability analysis procedure on SPSS calculates several measures commonly used in the reliability of the scale. It is necessary to specify that the value of the alpha coefficient is between 0 and 1. The higher the value of Cronbach’s Alpha more items represent the same phenomenon. It is considered as Nunnally (1967), for an exploratory study, alpha is acceptable if it is between 0.6 and 0.8. Indeed, one indicator to measure the reliability of a set of questions (or items) expected to contribute to the extent a phenomenon is called Cronbach’s Alpha.

Table 7: total variance explained

	initial values			Extraction Sum of squares of selected factors			Sum of squares of factors used for rotation		
	Total	% Of the variance	Cumulative %	Total	% Of the variance	cumulative%	Total	% Of the variance	cumulative%
1	1.783	44.567	44.567	1.783	44.567	44.567	1.781	44.517	44.517
2	1.000	25.009	69.576	1.000	25.009	79.576	1.002	25.059	69.576
3	0.920	22.993	92.569						
4	0.297	7.431	100.000						

Source: authors

The variance explained table gives a two-dimensional solution having both dimensions or factors which summarize information. These factors amplify 79.576% to the explained variance. This cumulative variance indicates that the reduction of variables to two components will keep the bulk of the phenomenon. The items are divided into two components after rotation Varimax axes. The first component formed of three items (1, 2 and 3) is called « Performance Effectiveness »; the second component formed of an item (4) was named « Income Effectiveness ». After a factor analysis of the variables that make up our subject, the result of our work should be continued by the stepwise regression. This, it is important for us to rebuild the structural model of our research. This is to highlight all the different variables. So we will not take

into account the variables that have a direct link with the dependent variable.

Test logistic regression

To confirm or reject the hypothesis, we the internal control variables and that of effectiveness from data obtained during our survey emphasize the relationship between internal control and effectiveness as well as the direction of the relationship. After performing the logistic regression test given in table 8 below : We have,

$$EFFICACITE_i = B_0 + B_1GP + B_2RI_i + B_3SDC_i + \epsilon$$

Table 8: Logistic regression test

Efficiency									
Performance Efficiency					Income Efficiency				
	β_i	ES	Wald	Sig.	β_i	ES	Wald	Sig.	

Procedures Guide	2.098	0.041	4.517	0.074 *	2.332	1.153	4.090	0.043 **
Internal rules	1.101	0.314	2.628	0.081 *	1.151	655	3.083	0.079 *
System of accounting data	0.542	1.811	3.401	-0.047 **	0.024	309	0.006	0.939
Constant	2.414	2.453	0.010	0.430	-3.641	1.989	3.350	0.167
Model 1 (Performance Efficiency)					Model 2 (Income Efficiency)			
Chi-square value: 4.125					Chi-square value: 12.166			
P = 0.003 ***					P = 0.007 ***			
-2log likelihood: 38.298					-2log likelihood: 34.476			
R-square Cox & Snell : 0.308					R-square Cox & Snell: 0.246			
R-two Nagelkerke: 0.774					R-two Nagelkerke: 0.672			

Source: Authors

***: Significant at the 1% level ** Significant at 5% *: Significant at 10%

Table 8 can observe that this model 1 (performance effectiveness) reveals regarding the variable representing unspecified factors (constant), and a positive value not significant. Moreover, the statistical chi-square attesting to the specification of the model is significant at 1%. Two significant variables observed at the threshold of 10% and a significant variable at the 5% threshold. It is concluded according to Nagelkerke's R2 of the model is globally significant at 77.7% and that compliance with the procedural guide, the regulations and the data accounting System significantly explain the effectiveness of SMEs in the sample considered in Cameroon. Similarly, the model 2 (effective income) also helps reveal the variable representing unspecified factors (constant), a negative value and not significant. In addition, the statistical chi-square attesting to the specification of the model is significant at 1%. It is also observed two significant variables respectively at the 5% and 10% and a non-significant variable. It is concluded according Nagelkerke's R2 of the model is globally significant at 67.2% and that compliance with the procedural guide and regulations significantly explain the effectiveness of sample SMEs considered in Cameroon.

Respect for procedural guide and effectiveness of SMEs

Table 8 above allows us to observe that there is a significant and positive relationship to 10% level respectively between respecting procedural guide and SME performance effectiveness with a β value = 2.098 and the threshold 5% between respecting procedural guide and effectiveness of income for a value of β = 2.332. This is consistent with the sign provided by the estimation model and means that the probability that small increases effective when employees respect the procedural guide of accounting standards. This finding aligns with that of Barnia (2015) in which the enterprises in which there's no manual accounting procedures contribute significantly to non controlling risks while achieving the goals certainly implies effectiveness but also efficiency.

The rules of procedure and effectiveness of SMEs

Reading of that Table 8, it is observed that the rules of procedure has a significant and positive impact on the 10% threshold to the SME performance effectiveness with a value of β = 1.101. Similarly, in Model 2, internal regulations has a significant and positive influence on revenue performance effectiveness of SMEs 10% threshold with a value of β = 1.151. These results, as previous are consistent with the model predictions and means the probability for companies to be efficient increases as SMEs with the internal regulations which have been established. These results confirm those of Touchstone (2003) who think compliance with internal control standards and procedures must

be developed and implemented to ensure effectively measures identified by management as necessary to reduce the risks associated with achieving the goals and make companies.

The data accounting System of SME

After estimating the parameters we have also seen in Table 8 that, the data accounting System has a significant negative influence on the effectiveness of SME at the 5% threshold, for a calculated value of the chi-square β = 0.542 and a degree of freedom of 1. This result is consistent with model predictions and means that the probability for SMEs to be effectively reduced when they have a bad data accounting system. These results are the same as that of Chabchoub Affes (2007), who found in the Tunisian context that data accounting System has a positive and significant influence on the performance of SMEs. As well as those of Mikol (1991)^[17] and Cappelletti (2004), who found out that information transmission process, the internal control system are used to take and properly implement the decisions and make efficient SMEs. the accounting data system does not influence the effectiveness of income in SMEs Cameroonian context.

Conclusion

At issue in this paper to determine the effect of internal control over the effectiveness of SMEs in the Cameroonian context. The results show that a relationship exists between the effectiveness and the independent variables (internal control) of our econometric model (compliance procedures manual, internal regulations and the data accounting system. Interpretations on estimation results have confirmed the three hypothesis. The variables in the model have been estimated by regression.

Of all these variables, two (compliance procedures manual and internal regulations) have significant and positive influence on the efficiency of SMEs as saying that the other (data accounting system) Has a significant and negative impact on the effectiveness of SMEs.

Our research has some limitations including the sample size, the context of limiting our study only in Cameroon, it did not take into account other countries of the sub region. For future research, it would be preferable to take into account these limits. But we think these short comings do not tarnish the interest of the subject relative to the contribution it can make to the development and growth of the effectiveness of SMEs. So, we strongly advise to bring it to SMEs in order to :

- Deeply respect the procedural guidelines in terms of accounting, tax, law and operation in relation to different sector.
- To respect the internal regulations, the first country in which it is located and operates, and following the SMEs in question.

References

1. Abdessalam R, Bonnet J, Pope N. 'An Explanation of the Life Span of New French Firm', *Small Business Economics*, 2004; 23:3.
2. Affes H, Chabchoub A. 'The accounting information system : the déterminants of its characteristics and its impact on the financial performance of SMEs in Tunisia,' *The Journal of Management Science and Operations*. 2007; (224)225:59-68.
3. Aspelund A, Berg-Utby T, Skjevdal R. 'Initial resources were influenced new venture Survival : a longitudinal study of new technology-based firms,' *Technovation*, 2005 ; 25:11.
4. Bergeron H. 'Differentiation of data systems and representations observation' -Test management control and interpretation. PhD in Management, University of Montpellier II, 1996.
5. Book H. 'Management Accounting', Paris, PUF, coll. What do I know, 2003.
6. Capiez A, Hernandez EM. 'Towards Small Business emergence model' *SME International Journal*, 1998; 11:4.
7. Cappelletti L. 'Standardization of internal control : sketches organizational consequences,' *Proceedings of the AFC conference*, Orleans, 2004.
8. Chapellier P. 'Accounting and Information System of the Head of SME Test observation and interpretation practices', *Management- Science Thesis University Montpellier*, 1994.
9. Chrisman J, Bauerschmidt A, Hofer CW. 'The determinant of new venture performance : An extended Model', *Entrepreneurship Theory and Practice*, 1999; 23:1.
10. COSO. Report 'The practice of internal control, Institute of Internal Audit' Price water house Coopers, Editing Organization, 2004.
11. D'Amboise G. 'Canadian SMEs situation and challenges', Quebec: The Institute for Political Research and presses Laval University, 1989.
12. Germain C. 'Organizational control and management control: instead of scorecards in the control system for small and medium enterprises', PhD Thesis in Management Science, Bordeaux, Université Montesquieu-Bordeaux IV, 2000.
13. Julien PA, Morel B. 'The beautiful business: Revenge of SMEs in France and Quebec', Montreal, Boreal Express, 1986.
14. Julien PA, Marchesnay M. 'Small Business Principles of Economics and Management, 1988.
15. Lavigne B. 'Contribution to the study of the genesis of the financial statements of SMEs', PhD Thesis in Management Sciences, University of Paris-Dauphine IX, 1999, 432 p.
16. Littunen H, Storhammer E, Nenonen T, 'The Survival of firms over the critical first 3 years and the local environment', *Entrepreneurship & Regional Development*, 1998, Vol 10.
17. Mikol M. 'General principles of internal control', *French Review of accounting*, 1991.
18. Moreau R. 'Entrepreneurial Success: proposal for an explanatory model General' *Management*, 2007, 3.
19. EGR. 'General Census of businesses', *Thematic Reports, Part I: Business Environment and competitiveness of Cameroonian companies*, 2009, 52 pages.
20. Passet R, Liberman J. 'financial globalization and terrorism', ed. of the Workshop, 2000, 174 p.
21. Eleni Costa S. 'The colleges of human resource management Towards organizational Effectiveness Acomparative Study in Southern Eu', *Journal of European Industrial Training*, publishing Emerald Group Limited, 2005, 29:2
22. Kaplan R, Norton D. 'The Balanced Scorecard -Measures that Drive Performance'. *Harvard Business Review*", 1992.
23. Savall H, Zardet v. 'master the coutset caches performance' ed *Economica*, 2nd ed Paris, 1989.
24. Barbier E. 'Better manage and better utilize the audit, the provision of audit companies and organizations,' *MAXIMA Edition*, 1999.
25. Duhan A, Roucchi JM. 'Decrypt and analyze company accounts,' *Lamy / Les Echos*, Paris, 1985, 170p.
26. Mautz Robert K, Winjum J. 'criteria for management control system New York Research Foundation of the Institute financial executives, 1981.
27. Cartapanis A, Gilles P. 'Prevention and management of international financial crises: a retrospective analysis of H. Thornton," *political economy Notebooks / Papers in Political Economy*, 2003, p175-210.
28. Robert SF. 'The efficiency of corporate control Cameroonian structure' *Business administration*. University of Franche-Comté, French, 2011.